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CENTRAL INTELLIGENCE AGENCY
BOARD OF NATIONAL ESTIMATES

15 November 1951

MEMORANDUM FOR: Mr. Allan Evans, OIR
Colonel B. B. Talley, G-2
Captain Ray Malpass, ONI
Colonel Edward H. Porter, AFOIN
Colonel S. M. Lansing, JIG

SUBJECT : NIE-50: The Current Situation and Probable
Developments in Eastern Germany through 1952

1. The enclosed terms of reference were agreed on by the
IAC representatives meeting on 14 November.

2. Each agency or office is requested to forward contri-
butions on all those questions on which it feels competent to
contribute. Specific responsibilities have been assigned as
follows:

OIR:	I; III (especially B, 1, 3-5; D, 2; F, 3-6, 8); IV, A, 2, 4, 5; IV, D, 3; V
G-2:	IV, A, D; V
ONI:	IV, C, D; V
AFOIN:	IV, B, D; V
O/SI:	II
O/RR:	III; IV, D, 3; V

3. Contributions are due in this office by the close of
business Wednesday, 28 November 1951.

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Executive Secretary

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C E N T R A L I N T E L L I G E N C E A G E N C Y

14 November 1951

SUBJECT: TERMS OF REFERENCE: NIE-50: THE CURRENT SITUATION
AND PROBABLE DEVELOPMENTS IN EASTERN GERMANY
THROUGH 1952

THE PROBLEM

To estimate the current situation and probable political, scientific, economic and military developments in Eastern Germany through 1952.

ASSUMPTIONS

1. That there will not be general war within the period of the estimate.
2. That the integration of Western Germany into the Atlantic community and the rearmament of Western Germany will begin within the period of the estimate.

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I. THE CURRENT POLITICAL SITUATION AND PROBABLE POLITICAL DEVELOPMENTS

A. The Position of the Regime

1. What is the present governmental structure of Eastern Germany?
2. What degree of popular support does the present government enjoy and in what groups and areas does that support reside? Has this popular support increased or decreased since 1949?
Could the present government remain in power if all or a part of the Soviet forces stationed in Eastern Germany were withdrawn?
3. Which groups of Eastern Germans are especially susceptible to the present regime's program (e.g., women, former Nazis, religious groups, industrial workers)?
4. How effective has the regime been in winning the active support of the Eastern German youth for its program and policies?
5. With what effectiveness have the Eastern German regime and the Kremlin succeeded in recruiting and training skilled and reliable Eastern German

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administrators? Has the SED shown the capability of attracting potential leaders?

6. Which political parties or groups are still allowed legal existence? What connections do these groups maintain with political organizations in Western Germany and what is the significance of these relations?
7. Do the present Eastern German Communist leaders have influence over Soviet policy in Eastern Germany, in Germany as a whole, or in Europe as a whole?
8. Do Eastern German Communist leaders have more or less power, influence, and prestige within the Orbit than the leaders of other Satellites? Is there evidence that German technicians, administrators, and officers are being assigned roles in other Satellite countries?
9. What is the present degree of Soviet control and with what instruments and techniques is it exercised?
10. Is it likely that the Kremlin's ability to assure the stability and subservience of the present regime will be shaken?

SECRET

B. Issues and Forces Affecting the Regime

1. Handicaps to the regime resulting from Soviet control.
 - a. How effective have the Kremlin and this Satellite regime been in coping with traditional attitudes and issues which in the past have created hostility in Germany towards Russia and the USSR?
 - b. How effective have the Kremlin and this Satellite regime been in controlling dissatisfaction among the Communists and among the population generally in Eastern Germany because of more recent decisions, such as the transfer of the territory east of the Oder-Neisse to Polish and Soviet sovereignty; the failure of the USSR to return all German prisoners; the elimination or frustration of opposition parties; reparations; general Soviet exploitation of Eastern Germany?
2. Berlin and Western Germany.
 - a. What is the effect in Eastern Germany of the presence of Allied forces in Berlin and of greater freedom in the Allied sectors of Berlin?

- 4 -

SECRET

SECRET

- b. What will be the effect on Soviet control and on Soviet ability to exploit Eastern Germany of each of the following?
 - i. The growing integration of Western Germany into the Atlantic community.
 - ii. The beginning of Western German rearmament.
 - iii. A change of the present power situation in Europe.
- 3. The Unity Issue.
 - a. What is the political importance in Eastern Germany of the issue of German unity?
 - b. What is the evidence, pro and con, of the likelihood that the Kremlin will relax in any way, or surrender, its present control over Eastern Germany in order to hamper or prevent the Western program for the rearmament of Western Germany and the integration of Western Germany into the Atlantic community?
 - c. Is there evidence that the USSR will conclude a unilateral peace treaty with Eastern Germany? What are the advantages and disadvantages to the USSR of such a treaty?

- 5 -

SECRET

SECRET

d. What actions could the Kremlin take to influence the West and Western Germany on the issue of German unity which would not involve weakening Kremlin control over Eastern Germany?

4. Popular Discontent.

- a. How strong, well-organized, and effective is popular discontent and against whom is it directed?
- b. How strong, well-organized, and effective is sympathy for the West in Eastern Germany?
- c. In which groups and areas is discontent centered? Are any religious or other groups of especial significance as foci of potential opposition?
- d. To what extent is this discontent easily manageable by the regime?

II. THE CURRENT SCIENTIFIC SITUATION AND PROBABLE SCIENTIFIC DEVELOPMENTS

A. Scientific Resources and Capabilities

- 1. What are Eastern Germany's resources in scientific manpower and research and development facilities, with especial reference to military application in the fields of chemistry, physics and electronics, biology, medicine, and nuclear physics?

SECRET

SECRET

2. What have been the effects of Soviet control upon the development of scientific research in Eastern Germany?

B. The Soviet Program and Soviet Benefits from Eastern German Science

1. What is the current Soviet program for Eastern German science? To what degree has this program been revised during the past year? Are there indications that a revision of the current program is contemplated?
2. What are the principal scientific contributions of Eastern Germany to the USSR?

III. THE CURRENT ECONOMIC SITUATION AND PROBABLE ECONOMIC DEVELOPMENTS

A. Economic Resources and Productive Capabilities

1. What are the economic resources and productive capabilities of Eastern Germany, with especial reference to the skills and morale of the population, the trend of population development and location, availability of important raw materials,

- 7 -

SECRET

SECRET

transportation facilities, industrial productive capacity, and principal agricultural and industrial products, civilian and military?

2. What in general are the effects of Soviet control upon the Eastern German economy?

B. The Soviet Program

1. What is the Soviet long-term program for Eastern Germany and what role is Eastern Germany scheduled to play in the Orbit economy?
2. What are the main goals of the present Five Year Plan? Have these goals been revised since they were first announced?
3. What proportion of Eastern Germany's economic resources and productive capabilities are now allocated to each of the following?
 - a. Uncompensated deliveries (reparations and others).
 - b. Production of military equipment for the Orbit.
 - c. Capital investment.
4. Is there any evidence that these proportions will be changed? Are there indications that the capital investment program designed to increase the pro-

SECRET

SECRET

ductive capacity of Eastern Germany has been, or will be, sacrificed or seriously altered to achieve greater immediate war readiness?

5. Do Soviet long-term and immediate plans for the Eastern German economy provide indications concerning Soviet objectives towards Berlin, towards Eastern Germany, and towards Germany as a whole?

C. The Organization of the Eastern German Economy

1. Which segments and what proportion of the economy have been nationalized? How are these nationalized industries organized and operated?
2. Which industrial facilities are presently owned by the USSR? How important are the Soviet-owned industries in helping to maintain Soviet control over Eastern Germany and in helping to maintain the flow of Eastern German contributions to the USSR? How are these industries administered?
3. Which segments of the economy remain under private ownership and management? Is there evidence concerning the time at which nationalization of trade and industry is scheduled to be completed?

- 9 -

SECRET

SECRET

4. What percentage of arable land has been organized in each of the various types of collective? How significant is the production of these collectives for current Eastern German consumption, for stockpiling, for supply to the Soviet occupying forces, for export to other areas of the Orbit, for export to Western Germany?
5. Is a sharp increase in the rate of collectivization likely within the period of this estimate?

D. Soviet Economic Benefits

1. What are the principal economic contributions of Eastern Germany to the Orbit war economy?
2. What Eastern German raw materials or fabricated products are critical, or even vital, for either the maintenance or expansion of military production in (a) the USSR, (b) the remainder of the Orbit, (c) Western Germany, (d) other areas not under Soviet control?
3. Which supplies are provided the Soviet forces stationed in the Satellites by Eastern Germany, and how significant is this contribution?
4. What finished military equipment does Eastern Germany manufacture for the USSR, its own armed

SECRET

forces and the other Satellites, and how significant is this contribution?

5. Is the USSR building stockpiles of industrial materials and equipment in Eastern Germany?

E. The Foreign Trade Pattern

1. What has been the pattern of Eastern Germany's foreign trade since 1945?
2. What has been the estimated amount of overt and covert trade with Western Germany annually since 1945?
3. What is the significance of East-West trade for the maintenance and expansion of the Eastern German economy?
4. To what degree has the Soviet effort to integrate the Eastern German economy into that of the USSR been a success?

F. Limitations on Eastern Germany's Economic Capabilities

1. What are the principal limitations on the Soviet program to maintain and expand the productive capacity of the Eastern German economy?

- 11 -

SECRET

SECRET

2. Which critical raw materials and capital equipment are provided Eastern Germany by the USSR and which by the other Soviet Satellites?
3. Which raw materials, finished equipment, and spare parts are obtainable now only from the West? Which of these are critical and which are vital to the maintenance of the Eastern German economy? To the planned expansion of the economy?
4. Have defections been a serious blow to the Soviet program for Eastern Germany? Which industries have been most seriously harmed? Is the current rate of defection likely to continue?
5. Will a serious manpower shortage be caused by the planned industrial expansion, the creation of an Eastern German army, and continuing defection?
6. How significant is the shortage of skilled manpower, and which industries are most seriously affected? What kind of program has the regime developed for training skilled workers? Is it adequate to maintain and expand the productive capacity of the economy?

SECRET

SECRET

7. Is effective resistance to any future increase in the rate of collectivization likely? Would other forces of opposition against the government ally with this resistance to challenge Soviet control over Eastern Germany?

IV. THE CURRENT MILITARY SITUATION AND PROBABLE MILITARY DEVELOPMENTS

A. The Eastern German Ground Forces

1. What is the present status -- size, organization, training, morale, reliability, and equipment -- of the Alert Police?
2. Why has the Kremlin been slow in expanding the Alert Police?
3. Are there indications that the Alert Police will be reorganized and expanded into an efficient ground force by the end of 1952? If this operation is undertaken vigorously, how large a ground force could be created by the end of 1952?
4. What has been the effect of the "Peace campaign" and of the attack upon the rearmament of Western Germany upon the morale of the Alert Police?

- 13 -

SECRET

SECRET

5. How many German PW's remain now in the USSR?

Is there evidence that these prisoners are organized, or could be organized, into an effective, reliable German armed force or could be added to an expanded and reorganized Alert Police?

B. The Eastern German "Air Force"

1. What is the present status of the Eastern German air force?
2. Could a skilled and reliable air force be created by the end of 1952? Are there indications that such a program is contemplated or in progress?
3. What would be the role of such an air force?

C. The Eastern German Navy

1. What is the present status of the Eastern German naval forces?
2. Are there indications of Soviet plans for improving and enlarging these forces?
3. What would be the role of such a naval force?

- 14 -

SECRET

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D. Soviet Forces Stationed in Eastern Germany

1. Have there been significant changes in the size, quality, or capabilities of the Soviet forces stationed in Eastern Germany?
2. Is there evidence that the withdrawal of all or a part of these forces is contemplated? Is there evidence that the increase of these forces is contemplated?
3. Has the USSR made significant improvements in transportation facilities in Eastern Germany, particularly beyond the needs of the present forces?

V. ADDITIONAL INDICATIONS OF PROBABLE SOVIET COURSES OF ACTION

1. What is the significance of Eastern Germany's failure to have mutual defense agreements with the USSR and with the other Satellites?
2. Have there been indications of a shift or revision in emphasis in either Soviet long-term or immediate objectives for Eastern Germany and for Germany as a whole?
3. Do Soviet policy or shifts in Soviet policy in Eastern Germany provide indications concerning

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probable Soviet courses of action elsewhere,
either in the immediate or long-term future?

4. Are there other indications of probable Soviet
courses of action regarding Eastern Germany?

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